

Message Text

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ACTION PM-04

INFO OCT-01 ARA-06 ISO-00 DODE-00 L-03 AID-05 IGA-02 MC-02

CIAE-00 INR-07 NSAE-00 EB-07 OMB-01 EUR-12 IO-11 H-02

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P 232058Z FEB 76

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC PRIORITY 9226

C O N F I D E N T I A L SECTION 1 OF 2 MANAGUA 0867

EO 11652: GDS

TAGS: MASS, NU

SUBJECT: FY 1977 MILITARY SECURITY ASSISTANCE PROGRAM FOR NICARAGUA

REF: STATE 036160

1. AS REQUESTED IN REFTTEL, PARA 6, AN ASSESSMENT OF US MILITARY SECURITY ASSISTANCE FOR NICARAGUA IS HERewith SUBMITTED.

2. NICARAGUA'S MILITARY DEPENDENCY. THE USG IS THE TRADITIONAL SUPPLIER OF MILITARY EQUIPMENT AND TRAINING TO NICARAGUA WHICH LOOKS UPON THE US AS ITS PROTECTOR AND THE GUARANTOR OF CENTRAL AMERICAN-CARIBBEAN STABILITY. SMALL, WEAK COUNTRIES LIKE NICARAGUA NATURALLY SEEK THE PROTECTION OF A STRONGER NEIGHBOR, OR SOME OTHER SYSTEM OF ALIGNMENT, WHICH ENBBLES THEM TO FULFILL THEIR PERCEIVED INTERNAL AND EXTERNAL SECURITY REQUIREMENTS.

3. NICARAGUA DOES NOT HAVE, NOR FOR THE FORESEEABLE FUTURE CAN IT EXPECT TO HAVE, AN INDIGENOUS ARMS PRODUCTION CAPABILITY OR ADEQUATE

TRAINING BASE TO PROVIDE THE MILITARY EQUIPMENT AND TRAINING SKILLS NEEDED TO MAINTAIN A SMALL, EFFECTIVE DEFENSE FORCE. THEREFORE, NICARAGUA REMAINS HIGHLY DEPENDENT ON OUTSIDE SOURCES OF SUPPLY OF ARMS AND TRAINING.

4. THE UNITED STATES IS THE DOMINANT FOREIGN SUPPLIER OF MILITARY
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EQUIPMENT FOR NICARAGUA, ALTHOUGH SMALL AMOUNTS OF ARMS AND

EQUIPMENT HAVE BEEN PURCHASED FROM BELGIUM, THE UNITED KINGDOM AND ISRAEL IN RECENT YEARS. DEPENDENCE ON US MILITARY TRAINING IS NEARLY TOTAL, THE ONLY EXCEPTIONS BEING THIRD COUNTRY TRAINING (SUCH AS IN MEXICO AND VENEZUELA) IN ISOLATED SKILLS NOT AVAILABLE IN THE UNITED STATES BECAUSE OF OUR MORE MODERN OR COMPLEX EQUIPMENT AND TECHNIQUES.

5. NICARAGUA'S SECURITYTHREAT. AT PRESENT, THE NATIONAL GUARD FACES A LOW LEVEL THREAT FROM THE PRO-CASTRO FSLN (SANDINISTA NATIONAL LIBERATION FRONT) WHICH IT HAS THE CAPABILITY TO MEET. FOR THE IMMEDIATE FUTURE, A SERIOUS SUBVERSIVE THREAT IS NOT LIKELY TO DEVELOP ALTHOUGH FSLN RETAINS A DIMINISHED CAPABILITY FOR CONDUCTING ISOLATED ATTACKS AND INCIDENTS THROUGHOUT MOST OF THE COUNTRY. DESPITE POLITICAL UNEASINESS OVER HISTORIC COSTA RICAN TOLERANCE OF ANTI-SOMOZA GROUPS AND SOVIET-SUPPORTED CUBAN COMBAT INVOLVEMENT IN ANGOLA, THERE EXISTS NO DISCERNIBLE EXTERNAL THREAT FROM ITS CENTRAL AMERICAN OR CARIBBEAN NEIGHBORS.

6. THE MILITARY SECURITY ASSISTANCE PROGRAM NEITHER CONTRIBUTES TO ANY REGIONAL ARMS RACE NOR HELPS TO BUILD AN OFFENSIVE MILITARY CAPABILITY THAT THREATENS NEIGHBORING COUNTRIES. THE NATIONAL GUARD IS A SMALL, PROFESSIONAL, DEFENSIVE FORCE CAPABLE OF COPING WITH PRESENT INTERNAL SECURITY THREATS BUT LACKING THE RESOURCES AND STRUCTURE TO CONTAIN AN EXTERNALLY SUPPORTED, WIDESPREAD

INSURGENCY AND/OR SUPPORT LARGE SUSTAINED OPERATIONS.

7. WHILE WE DO NOT AGREE WITH THE NICARAGUAN VIEW THAT A POTENTIAL CUBAN MILITARY THREAT EXISTS AT THIS TIME, THERE IS EVIDENCE THAT HAVANA IS PROVIDING LIMITED SUPPORT TO THE FSLN SUCH AS A GUERRILLA SAFEHAVEN AND TRAINING IN CUBA. THE CUBAN THREAT TO NICARAGUA, AND OTHER COUNTRIES OF THE REGION, IS LESS LIKELY TO BE A DIRECT MILITARY ONE AND MORE APT TO TAKE THE FORM OF POLITICAL AND IDEOLOGICAL SUBVERSION. NOW THAT CUBAN FOREIGN POLICY IS CLOSELY ALIGNED WITH THAT OF THE USSR, HAVANA BELIEVES THAT THE FOSTERING OF AN ANTI-CAPITALIST AND ANTI-IMPERIALIST (I.E, ANTI-US) TREND IN THE DOMESTIC AND FOREIGN POLITICS OF THE CENTRAL AMERICAN CARIBBEAN STATES CAN BEST BE ACHIEVED BY PROVIDING SUPPORT FOR ORTHODOX COMMUNIST INFILTRATION, PROPAGANDA AND SUBVERSION, INCLUDING THE FORMATION OF POPULAR FRONT TYPE COALITIONS WHERE FEASIBLE.

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8. MSAP CONTRIBUTION TO US POLICY. THE FY 1977 MILITARY SECURITY ASSISTANCE PROGRAM (MSAP) CAN MAKE AN IMPORTANT CONTRIBUTION TO THE US FOREIGN POLICY OBJECTIVE OF MAINTAINING NICARAGUA AS A CLOSE FRIEND AND COOPERATIVE PARTNER IN REGIONAL AND WORLD AFFAIRS. IT HELPS NICARAGUA OBTAIN THE MEANS TO DEFEND ITSELF AGAINST INTERNAL AND EXTERNAL THREATS TO ITS NATIONAL SECURITY, AND ALSO PROVIDES NEEDED ASSURANCE OF THE CONTINUITY OF THE US

POLICY OF FRIENDLY RELATIONS AND MILITARY PROTECTION UNDER THE RIO TREATY. THE MILITARY ASSISTANCE PROGRAM CAN CONTINUE TO MAKE A POSITIVE CONTRIBUTION TO NICARAGUAN SOLIDARITY WITH THE US, A SOLIDARITY THAT INCLUDES CONSISTENT, LOYAL SUPPORT FOR THE US IN THE UNITED NATIONS (VIZ., RECENT UNGA RESOLUTIONS CONCERNING ZIONISM, KOREA AND PUERTO RICO), AND OTHER INTERNATIONAL AND REGIONAL FORA.

9. THE US MILITARY SECURITY PROGRAM FOR NICARAGUA IS OUR MOST COST-EFFECTIVE POLICY INSTRUMENT FOR MAINTAINING INFLUENCE WITH THE GON. THE CUMULATIVE HISTORICAL IMPACT OF THIS MODEST PROGRAM ON THE NATIONAL GUARD, WHICH IS A FUNDAMENTAL INSTITUTION OF THE GON, HAS BEEN A PROFOUND ONE. IT HAS CONTRIBUTED IN A MAJOR WAY TO THE STRONG PRO-US TECHNICAL AND CULTURAL ORIENTATION AS WELL AS PERSONAL FRIENDSHIPS AND ALLEGIANCES EVIDENT WITHIN THE LEADERSHIP OF THE NATIONAL GUARD.

10. THE SMALL MILITARY TRAINING PROGRAM (AVERAGING \$600 THOUSAND IN RECENT YEARS) IS PARTICULARLY IMPORTANT FOR RETAINING US INFLUENCE AND PRESTIGE WITHIN THE NATIONAL GUARD AND THE GON. THE GRADUAL EROSION OF THE TRAINING PROGRAM DUE TO INFLATION AND RE-PRICING POLICIES HAS BEEN OFFSET BY GON EFFORTS TO SUPPLEMENT THE PROGRAM WITH ITS OWN RESOURCES. THE IMPORTANCE ACCORDED THE TRAINING PROGRAMS BY PRESIDENT SOMOZA IS ILLUSTRATED BY HIS RECENT DECISION TO PAY TRANSPORTATION COSTS FOR HIS STUDENTS AND TO SHIFT PILOT TRAINING FROM THE JET-ORIENTED USAF PROGRAMS TO CHEAPER, BUT MORE APPROPRIATE TO NICARAGUAN NEEDS, US ARMY FLIGHT TRAINING.

11. MY SINGLE RESERVATION IS A DOUBT THAT THE TRAINING PROGRAM, AT ITS PROPOSED LEVEL OF \$600 THOUSAND FOR FY 1977, WILL BE ADEQUATE TO MAINTAIN THE PROGRAM AT ITS CURRENT EFFECTIVE LEVEL, EVEN WITH POSSIBLE ADDITIONAL GON PARTICIPATION IN DEFRAYING STUDENT LIVING COSTS AND SELECTIVE FMS COURSE PURCHASES.

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12. NICARAGUA'S NEED TO MODERNIZE. THE BULK OF NICARAGUA'S MILITARY PURCHASES IN RECENT YEARS HAVE BEEN FOR THE PURPOSE OF MODERNIZING THE NATIONAL GUARD AFTER SEVERAL YEARS OF NEGLECT. THE PAST TWO YEARS HAVE SHOWN AN ACCELERATING PARTICIPATING IN DIRECT FMS SALES, PRIMARILY IN THE PURCHASE OF SPARE PARTS FOR MAP PROVIDED EQUIPMENT AND COMMON USE ITEMS SUCH AS UNIFORMS AND RATIONS. DURING FY 75 THESE SINGLE PURCHASES AND FMS OPEN-END SALES CONTRACTS EXCEEDED \$1 MILLION FOR THE FIRST TIME. THE ADDITIONAL PURCHASES GENERATED

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BY THE AVAILABLE FMS CREDITS WILL HAVE THE EFFECT OF FURTHER
INCREASING FMS DIRECT SALES IN FUTURE YEARS.

13. PRESIDENT SOMOZA HAS BEEN VERY EXPLICIT IN STATING THAT HIS
GOAL IS TO MODERNIZE THE NATIONAL GUARD IN ORDER TO MAKE IT A MORE
EFFICIENT AND WELL-EQUIPPED FORCE CAPABLE OF DEFENDING AGAINST OUT-
SIDE AND INTERNAL THREATS AND THROUGH CIVIC ACTION TO SUPPORT NATIONAL

DEVELOPMENT IN THE OPENING OF THE INTERIOR. SUCH A POLICY OF
GRADUAL MODERNIZATION IS UNLIKELY TO HAVE ANY EFFECT ON THE ARMS
BALANCE IN THE REGION AND MAKES A GREAT DEAL OF SENSE FOR THE GON.
THE OFFER OF \$2.5 MILLION IN FMS CREDIT FOR FY77, WHICH BRINGS THE
CUMULATIVE THREE-YEAR (FY1975-77) FMS CREDIT LEVEL TO A MODEST
\$8 MILLION, THEREFORE IS BASED ON A JUSTIFIABLE NEED, AND IS COMPAT-
IBLE WITH US POLICY OBJECTIVES FOR NICARAGUA.

14. OTHER US ASSISTANCE. IT IS IMPORTANT TO NOTE THAT THE MILITARY
SECURITY ASSISTANCE PROGRAM IS ONLY ONE ASPECT, ALBEIT IN NICARAGUA'S
CASE AN EXTREMELY IMPORTANT ONE, OF THE STRUCTURE OF POLITICAL-
MILITARY RELATIONS BETWEEN THE US AND NICARAGUA. AS A RESULT OF
THE OTHER FACTORS THAT SHAPE BILATERAL RELATIONS BETWEEN THE TWO
COUNTRIES, IT IS EXTREMELY DIFFICULT TO SEPARATE OUT WITH PRECISION
THE CONSIDERABLE IMPACT OF THE MILITARY RELATIONSHIP.

15. HOWEVER, IN TERMS OF THE TOTAL FLOW OF US OFFICIAL RESOURCES
(ECONOMIC AND MILITARY ASSISTANCE) TO NICARAGUA, THE MILITARY
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SECURITY ASSISTANCE PROGRAM IS SMALL, AVERAGING LESS THAN \$5 MILLION A YEAR IN FY 1974-76. THE MICRO-ECONOMIC IMPACT ON NICARAGUA'S \$1 BILLION NATIONAL ECONOMY AND BALANCE OF PAYMENTS IS INSIGNIFICANT. THE US ECONOMIC ASSISTANCE PROGRAM, WHICH HAS AVERAGED ABOUT \$35 MILLION A YEAR AFTER THE 1972 MANAGUA EARTHQUAKE, IS OF MUCH GREATER ECONOMIC IMPORTANCE, AND OF CONSIDERABLE POLITICAL VALUE TO US, IN MAINTAINING MUTUALLY BENEFICIAL AND COOPERA-

TIVE RELATIONS WITH NICARAGUA.

16. IMPACT OF CHANGING CONTEXT OF MASP ON NICARAGUA. THE INTERNATIONAL AND REGIONAL CONTEXT WITHIN WHICH OUR MILITARY SECURITY ASSISTANCE PROGRAM OPERATES IS UNDERGOING PROFOUND CHANGE WHICH COULD HAVE ADVERSE LONG-TERM REPERCUSSIONS ON US-NICARAGUAN RELATIONS, AND, US INTERESTS IN LATIN AMERICA MORE GENERALLY.

17. WITH RESPECT TO NICARAGUA, THE US POLICY OF EAST-WEST DETENTE, THE GENERAL PERCEPTION OF US RETRENCHMENT AND WITHDRAWAL UNDER PRESSURE, THE SENSE OF WEAKNESS AND VACILLATION OF US POLICY IN VIET NAM AND THE RECENT INABILITY OF THE US TO REACT TO SOVIET-SUPPORTED CUBAN COMBAT INVOLVEMENT IN ANGOLA HAVE COMBINED TO CREATE A STRONG SENSE OF ANXIETY IN GON CIRCLES THAT US INTEREST IN NICARAGUA'S INTERNAL AND EXTERNAL SECURITY MAY BE WEAKENING.

18. WHILE THE INTERNAL SECURITY THREAT POSED BY THE FSLN GUERRILLAS NOW IS A MINOR ONE, HAVING APPARENTLY DIMINISHED SINCE THE END OF 1975, THE GON VIEWS CUBAN-SUPPORTED GUERRILLA ACTIVITY, AND THE SOVIET-SUPPORTED CUBAN COMBAT CAPABILITY, AS A SERIOUS POTENTIAL THREAT.

19. SMALL COUNTRIES LIKE NICARAGUA ARE EXTREMELY SENSITIVE TO PERCEIVED REGIONAL AND GLOBAL SHIFTS IN POWER BALANCES. THEIR POLITICAL AND MILITARY VULNERABILITY MAKE IT IMPERATIVE FOR THEM TO ADJUST THEIR FOREIGN POLICY TO THESE CHANGES. THE GON PERCEIVES A LATIN AND THIRD WORLD DRIFT TOWARDS A POLICY OF SO CALLED NONALIGNMENT, ACTIVE BLOC-FORMATION BY THE LDC'S (INCLUDING THE LATINS), AND THE EMERGENCE OF A GLOBAL MILITARY CAPABILITY OF RUSSIA AND ITS CUBAN CLIENT STATES.

20. FURTHERMORE, THE GON HAS VARIOUS OPTIONS OPEN TO IT FOR THE PURCHASE OF REQUIRED ARMS, MUNITIONS AND TRAINING. IN FACT, THE CONFIDENTIAL

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REGIONAL TREND HAS BEEN TOWARDS GRADUAL DIVERSIFICATION OF MILITARY RELATIONS AND A DECLINING ARMS DEPENDENCE ON THE UNITED STATES. LIKE OTHER LATIN AMERICAN GOVERNMENTS, THE GON NO LONGER NEED BE DEPENDENT ON THE US FOR ARMS SUPPLIES AND TRAINING, ALTHOUGH THE US STILL IS THE PREFERRED SUPPLIER.

21. THEREFORE, IT IS NOT SURPRISING THAT GON FEARS HAVE BEEN

AROUSED THAT ITS PRO-US ORIENTATION MAY LEAD TO ITS ISOLATION IN LATIN AMERICA AND THE THIRD WORLD, AND THAT THE US COMMITMENT TO REGIONAL PEACE AND STABILITY MAY BE WAVERING. THE GON HAS BEGUN TO FEAR THAT IT MIGHT BE LET DOWN BY THE UNITED STATES, ITS MAJOR FRIEND AND ALLY, AND BEGAN IN 1975 TO REASSESS ITS FOREIGN POLICY, INCLUDING ITS RELATIONS WITH THE US.

22. THE WILLINGNESS OF THE US TO MAINTAIN ITS MILITARY SECURITY ASSISTANCE PROGRAM IN NICARAGUA HAS IN THE PRESENT GLOBAL AND REGIONAL CONTEXT A POLITICAL AND SYMBOLIC SIGNIFICANCE THAT FAR TRANSCENDS THE SMALL AMOUNTS OF MILITARY CREDITS AND TRAINING INVOLVED. OUR MILITARY ASSISTANCE IS LOOKED UPON BY MANY IN THE GON AS AN IMPORTANT SIGN OF THE US WILL TO HELP ITS FRIENDS TO RESIST THE EXPANSION OF COMMUNISM IN AN AREA WIDELY PERCEIVED TO BE THE US BACKYARD, AND OF WHETHER OR NOT OUR PROFESSIONS OF FRIENDSHIP AND COOPERATION ARE SINCERE OR ONLY RHETORIC.

23. THE FAILURE TO NURTURE OUR MILITARY RELATIONS WOULD BE INTERPRETED AS EVIDENCE THAT WE ARE UNSYMPATHETIC TO THE GON'S NEED FOR THE MEANS TO SATISFY LEGITIMATE NATIONAL DEFENSE AND INTERNAL SECURITY REQUIREMENTS. THERE ARE A FEW ACTIONS SO CERTAIN TO ALIENATE LATIN AMERICAN GOVERNMENTS, AND THE POLITICALLY INFLUENTIAL ARMED FORCES, AS ATTEMPTS TO THWART THEIR EFFORTS TO MEET THESE NEEDS.

24. THEREFORE, IN THE CONTEXT OF CURRENT GON UNCERTAINTY CONCERNING THE GENERAL DRIFT OF US POLICY AND FEARS THAT THERE MAY BE A WANING OF THE US WILL TO PROVIDE ASSISTANCE AGAINST PRO-CASTRO GUERRILLAS, ANY SHARP REDUCTION OR CUTOFF OF US CREDIT SALES OR GRANT TRAINING ASSISTANCE WOULD LIKELY HAVE FAR-REACHING POLITICAL AND PSYCHOLOGICAL REPERCUSSIONS, GIVEN THE SMALL AMOUNTS OF CREDIT AND ASSISTANCE INVOLVED AND THE EXISTENCE OF ALTERNATIVE SUPPLIERS WHO WOULD WELCOME THE OPPORTUNITY TO DEVELOP POLITICAL-MILITARY INFLUENCE HERE.

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25. AS LONG AS THE USG CONTINUES ITS WILLINGNESS TO OFFER SOME MILITARY ASSISTANCE, WHICH REINFORCES THE GUARDIA'S PERCEPTION OF DEPENDENCE ON THE FRIENDSHIP WITH THE US MILITARY, THERE WILL BE VERY LITTLE PRESSURE TO SEEK THIRD COUNTRY ASSISTANCE. AS SUCH, THROUGH THE MILITARY ASSISTANCE PROGRAM, THE USMILGP AND THE USG MAINTAIN MAXIMUM INFLUENCE WITH THE GON WITH VIRTUALLY NO THIRD COUNTRY COMPETITION.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONAL SECURITY, MILITARY ASSISTANCE, MILITARY CAPABILITIES
Control Number: n/a
Copy: SINGLE
Draft Date: 23 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cahillha
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MANAGU00867
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760067-1037
From: MANAGUA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760223/aaaaauhb.tel
Line Count: 326
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION PM
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 STATE 36160
Review Action: RELEASED, APPROVED
Review Authority: cahillha
Review Comment: n/a
Review Content Flags:
Review Date: 20 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 JUL 2004 by BoyleJA>; APPROVED <28 OCT 2004 by buchant0>; APPROVED <28 OCT 2004 by cahillha>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FY 1977 MILITARY SECURITY ASSISTANCE PROGRAM FOR NICARAGUA
TAGS: MASS, NU
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006